

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0541-01
Bill No.: HB 203
Subject: Boards, Commissions, Committees, Councils; Crimes & Punishment; Department of Public Safety
Type: Original
Date: February 5, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	\$1,130,249	(\$512,562)	(\$525,852)
Total Estimated Net Effect on <u>All</u> State Funds	\$1,130,249	(\$512,562)	(\$525,852)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety (DPS)** do not provide an estimate of the number of licensees expected under this legislation. In a prior year, DPS estimated the legislation to affect 1,000 investigation firms and 30,000 individuals.

To implement the proposal, DPS assumes it would need 17 additional staff. These would include a Director (1 FTE at \$50,000 per year) for the overall management of the program, one Educational Coordinator (1 FTE at \$30,000 per year) to oversee training of licensees, one Investigator Supervisor (1 FTE at \$36,000 per year) to manage investigations, one License Unit Supervisor (1 FTE at \$36,000 per year) to manage the licensing of investigators, three Investigators (3 FTE at \$30,000 per year) to conduct investigations of complaints, one Certified Public Accountant (1 FTE at \$38,000 per year) to supervise the management of licensing fees, two Accountant Is (2 FTE, each at \$30,000 per year) to manage licensing fees, one Computer Information Technology Specialist III (1 FTE at \$47,100 per year) to provide technical support to staff, and six Clerk Typist IIIs (6 FTE, each at \$19,295 per year) to provide clerical support to staff. DPS has requested associated expense and equipment, including four new vehicles, meeting expenses for the Board of Private Investigator Examiners, and office space and renovation costs for the new FTE, resulting in total costs of \$1,033,000 in FY 2002; \$853,000 in FY 2003; and \$873,000 in FY 2004. DPS did not address the revenue resulting from licensure fees.

Oversight assumes that fees would be set to cover the costs of the regulation, resulting in a net fiscal impact of \$0. Further, Oversight has adjusted staffing needs to be consistent with proposals from prior years. The Certified Public Accountant, Accountant I positions, and the Computer Information Technology Specialists are not included in the fiscal impact; one Investigator Supervisor and one Investigator are included, along with a vehicle for each. Oversight assumes that space rented for the new FTE will be satisfactory and has not included renovation costs. Equipment costs have been adjusted to reflect Office of Administration guidelines; expenses have been adjusted to reflect our FTE adjustments. Oversight has estimated the fee required to offset expenses at \$55 for initial licensure and triennial renewal, based on 30,000 licensees. The actual fee charged would be adjusted higher or lower to reflect actual expenses and licensees.

The **Department of Corrections (DOC)** assumes minimal or no fiscal impact to their agency from this proposal, but notes that the cumulative effect of various new legislation, if passed into law, could result in the need for additional capital improvements funding if the total number of new offenders exceeds current planned capacity. The DOC cannot predict the number of new cases which may result from the proposal, but if additional persons are sentenced to their

custody, costs will be incurred through supervision of the Board of Probation and Parole (FY 1999 average of \$2.47 per offender, per day).

This bill creates the Board of Private Investigator Examiners within the Department of Public Safety. Officials with the **Office of the Secretary of State (SOS)** assume this board will promulgate rules to carry out the provisions of this bill. Based on experience with other divisions, the rules, regulations and forms issued by the Board of Private Investigator Examiners could require as many as approximately 32 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register as in the Code because cost statements, fiscal notes and the like are not repeated in Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$23.00. The estimated cost of a page in the Code of State Regulations is \$27.00. The actual costs could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Office of State Courts Administrator, Office of State Public Defender, Office of Prosecution Services, Office of the Attorney General, Department of Insurance, Department of Economic Development, Department of Revenue, and the Department of Public Safety—Missouri State Highway Patrol** assume this proposal would have either minimal or no fiscal impact on their agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
GENERAL REVENUE FUND			
<u>Income—DPS</u>			
License Fees/Renewals	\$1,650,000	\$0	\$0
<u>Costs—DPS</u>			
Personal Service (11 FTE)	(\$254,345)	(\$312,845)	(\$320,666)
Fringe Benefits	(\$84,773)	(\$104,271)	(\$106,878)
Expense & Equipment	<u>(\$180,633)</u>	<u>(\$95,446)</u>	<u>(\$98,308)</u>
<u>Total Costs—DPS</u>	(\$519,751)	(\$512,562)	(\$525,852)
ESTIMATED NET EFFECT TO GENERAL REVENUE FUND	<u>\$1,130,249</u>	<u>(\$512,562)</u>	<u>(\$525,852)</u>

FISCAL IMPACT - Local Government

FY 2002
(10 Mo.)

FY 2003

FY 2004

\$0

\$0

\$0

FISCAL IMPACT - Small Business

This proposal would have a direct fiscal impact on small businesses operating as private investigators.

DESCRIPTION

This proposal would create a Board of Private Investigator Examiners in the Department of Public Safety. In addition, it would make changes to the regulation of private investigators and private investigator agencies.

This legislation is not federally mandated, would not duplicate any other program.

This proposal would affect Total State Revenues.

SOURCES OF INFORMATION

Department of Public Safety
Office of the Director
Missouri State Highway Patrol
Department of Corrections
Office of the Secretary of State
Office of State Courts Administrator
Office of State Public Defender
Office of Prosecution Services
Office of the Attorney General
Department of Insurance
Department of Economic Development
Department of Revenue



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Director
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